

# Legal & General UK Select Equity Fund

Unit Trust (UCITS compliant) I-Class GBP



## FUND AIM

The objective of this fund is to provide growth by investing predominantly in shares of UK companies. The fund currently has a target to outperform the benchmark ('The FTSE All-Share Index') by 1.25% per annum before charges, measured over rolling three year periods.

## RISK AND REWARD PROFILE



The synthetic risk and reward indicator (SRRI) is based on the historic volatility of the fund's value and it may change in the future.

The fund is in category 5 because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time.

For more information, please refer to the Key Risks section on page 3.

## WHO IS THIS FUND FOR?

- This fund is designed for investors looking for growth from an investment in UK shares.
- Although investors can take their money out at any time, this fund may not be appropriate for those who plan to withdraw their money within five years.
- This fund is not designed for investors who cannot afford more than a minimal loss of their investment.
- If you do not understand this document we recommend you seek additional information to help you decide if this fund is right for you.

## FUND FACTS

|                                  |                             |   |
|----------------------------------|-----------------------------|---|
| Fund size<br><b>£457.2m</b>      | Base currency<br><b>GBP</b> | IA Sector<br><b>IA UK All Companies</b> |
| Launch date<br><b>2 Jan 1996</b> | Domicile<br><b>UK</b>       | Historical yield<br><b>2.80%</b>        |

## COSTS

|  |  |
|--|--|
| Initial charge<br><b>0.00%</b>               | Ongoing charge<br><b>0.79%</b>             |
| Price basis<br><b>Single - dilution levy</b> | Dilution levy<br><b>0.61% - round trip</b> |

For detail on price basis methodologies please refer to the 'Guide to Investing With Us' found on our website. [↗](#)

## PERFORMANCE (%)



|                  | 1 month | 3 months | 1 year | 3 years | 5 years |
|------------------|---------|----------|--------|---------|---------|
| ■ Fund           | -0.06   | 1.94     | 6.96   | 29.74   | 46.07   |
| ■ IA Sector      | 0.72    | 3.43     | 8.59   | 28.01   | 47.77   |
| Quartile ranking | 4       | 4        | 3      | 2       | 3       |

## 12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 30 June | 2018 | 2017  | 2016  | 2015 | 2014  |
|----------------------|------|-------|-------|------|-------|
| Fund                 | 6.23 | 24.01 | 0.02  | 4.79 | 13.42 |
| IA Sector            | 9.12 | 22.72 | -3.98 | 6.86 | 13.84 |
| Quartile ranking     | 4    | 2     | 1     | 3    | 3     |

Performance for the I Inc unit class in GBP launched on 31 October 2012. Source: Lipper. Performance assumes all fund charges have been taken and that all income generated by the investments, after deduction of tax, remains in the fund.

**Past performance is not a guide to future returns. The value of your investment and any income taken from it is not guaranteed and may go up and down.**

## FUND SNAPSHOT

- We invest in 30-40 UK companies, with the aim of providing growth through a portfolio of high conviction ideas
- Adopt a bottom-up, stock picking approach with a strong investment process
- Our size means we can leverage LGIM's scale to gain exceptional access to corporate management teams, which is a key pillar for stock selection



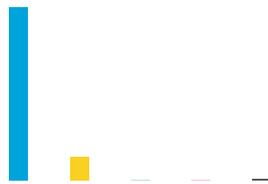
## PORTFOLIO BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum due to rounding.



### SECTOR (%)

|                    |      |
|--------------------|------|
| Financials         | 25.7 |
| Oil & Gas          | 14.2 |
| Consumer Goods     | 13.8 |
| Consumer Services  | 11.8 |
| Industrials        | 11.4 |
| Health Care        | 8.8  |
| Basic Materials    | 7.8  |
| Telecommunications | 2.9  |
| Utilities          | 2.7  |
| Technology         | 0.9  |



### MARKET CAPITALISATION (%)

|                      |      |
|----------------------|------|
| Large                | 87.4 |
| Mid                  | 11.8 |
| Small                | 0.0  |
| Micro                | 0.0  |
| Cash and Equivalents | 0.8  |



■ Top 10 holdings 44.9%  
 ■ Rest of portfolio 55.1%  
 No. of holdings 46

### TOP 10 HOLDINGS (%)

|                          |     |
|--------------------------|-----|
| Royal Dutch Shell        | 7.4 |
| BP                       | 6.8 |
| HSBC Holdings            | 4.8 |
| Glaxosmithkline          | 4.7 |
| British American Tobacco | 4.6 |
| Tesco                    | 4.0 |
| Rio Tinto                | 3.7 |
| Aviva                    | 3.2 |
| Astrazeneca              | 2.9 |
| Smiths Group             | 2.9 |

### COUNTRY (%)

|                |       |
|----------------|-------|
| United Kingdom | 100.0 |
|----------------|-------|

## FUND MANAGER COMMENTARY

It was a month that saw mixed messages from the market. The latest reports of attempts to revive trade negotiations between the US and China helped the FTSE All Share end July at a six-week high, but the spectre of protectionism still lingers over the global economy. Meanwhile, the latest corporate reporting season and better UK consumer spending data provided a welcome distraction.

Sector divergences during July were significant, resulting in a defensive shift to investor portfolios. The main beneficiaries have been healthcare and consumer staples, whilst we have seen some improvement in Financials too. Large-caps did well, helped by FX moves that saw an extension of the sterling sell-off relative to the US dollar. Contrarily, the UK equity market's defensive merits proved less helpful in July as energy stocks dragged due to the less supportive supply backdrop, which pulled the oil price back from recent highs. Housebuilders performed better, but other domestic sectors continue to struggle. On this basis, we remain selective in our exposure to UK focused industries.

The fund underperformed the index in the period, recording a broadly flat return. Stock selection in financials and technology weighed on relative performance, notably due to warnings from Sophos Group and TP ICAP during results season. Our underweight in Consumer Staples was also unhelpful. July's outperformers included Pearson and 3i Group. In terms of trading, we exited positions in Ashmore Group, Imperial Brands and Rolls Royce. New holdings included B&M Value Retail, Weir Group and Associated British Foods.



### GAVIN LAUNDER

Gavin joined LGIM in 2007 and is a Fund Manager within the High Alpha team for Europe ex-UK portfolios. He joined LGIM from BlueBay Asset Management where he was a Global Equities Analyst. Gavin spent the majority of his buy-side career as a Portfolio Manager with UBS O'Connor. Prior to this, he was a top-rated, sell-side analyst covering the Autos, Capital Goods and Conglomerates sectors at investment banks including SG Warburg (now part of UBS) and Goldman Sachs. Gavin holds a degree in Philosophy and Economics from University College, London.

## KEY RISKS

- The return from this fund is dependent on relatively few individual investments. This means that a fall in the value of an individual investment can have a major impact on the overall performance of the fund.
- The fund could lose money if any institution providing services such as acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.
- Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains.
- The fund may have underlying investments that are valued in currencies that are different from sterling (British pounds). Any such investments will be impacted by exchange rate fluctuations and this may affect the value of your investment and any income from it. Currency hedging techniques may be applied to reduce the impact of exchange rate fluctuations but may not entirely eliminate it.

For more information, please refer to the key investor information document on our website [↗](#)

## LATEST DISTRIBUTION INFORMATION

For distributing unit classes, the latest payments are shown below. Please note that these payments are not guaranteed, are at the discretion of the manager and may be paid out of capital.

| Type    | Ex-div date | Pay date  | Pence per unit |
|---------|-------------|-----------|----------------|
| Interim | 03 Apr 18   | 31 May 18 | 4.04p          |
| Final   | 02 Oct 17   | 30 Nov 17 | 5.40p          |
| Interim | 31 Mar 17   | 31 May 17 | 3.67p          |
| Final   | 30 Sep 16   | 30 Nov 16 | 4.60p          |



### SPOTLIGHT ON LEGAL & GENERAL INVESTMENT MANAGEMENT

We are one of Europe's largest asset managers and a major global investor, with assets under management of £983.3 billion (as at 31 December 2017). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management include derivative positions and assets managed by LGIMA, an SEC Registered Investment Advisor.

## DEALING INFORMATION

|                     |                       |
|---------------------|-----------------------|
| Valuation frequency | Daily, 12pm (UK time) |
| Dealing frequency   | Daily                 |
| Settlement period   | T+4                   |

## CODES

|                  |       |              |
|------------------|-------|--------------|
| <b>ISIN</b>      | I Acc | GB00B8F72V68 |
|                  | I Inc | GB00B887M570 |
| <b>SEDOL</b>     | I Acc | B8F72V6      |
|                  | I Inc | B887M57      |
| <b>Bloomberg</b> | I Acc | LGUSEIA LN   |
|                  | I Inc | LGUSEII LN   |

## TO FIND OUT MORE

 Visit [www.legalandgeneral.com](http://www.legalandgeneral.com)

 Call **0370 050 0955**

 Email [investments@landg.com](mailto:investments@landg.com)

Lines are open Monday to Friday 8.30am to 6.00pm. We may record and monitor calls. Call charges will vary.

## Important information

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